6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R10-OAR-2018-0809, FRL-9994-96-Region 10]

Air Plan Approval; AK: Adoption Updates and Permitting Rule Revisions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) proposes to approve revisions to the Alaska State Implementation Plan (SIP) submitted on October 25, 2018. The revisions adopt changes to federal emissions factors and modeling guidelines, update pre-construction permitting of stationary sources, and fix typographical and grammatical errors. Upon final approval, the Alaska SIP will include provisions for electronic permit applications, online notice of draft permits, revised modeling guidelines, and updated fine particulate matter requirements in nonattainment areas. The EPA also proposes to approve the submitted revisions as meeting major source pre-construction permitting requirements for the Fairbanks North Star Borough fine particulate matter nonattainment area.

DATES: Comments must be received on or before [insert date 30 days after date of publication in the Federal Register].

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R10-OAR-2018-0809, at https://www.regulations.gov. Follow the online instructions for submitting comments.

Once submitted, comments cannot be edited or removed from Regulations.gov. The EPA may publish any comment received to its public docket. Do not electronically submit any information

you consider to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e. on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit https://www.epa.gov/dockets/commenting-epa-dockets.

FOR FURTHER INFORMATION CONTACT: Kristin Hall at (206) 553-6357,

hall.kristin@epa.gov or Attn: Kristin Hall, Air and Radiation Division, EPA Region 10, 1200 Sixth Avenue, Seattle WA, 98101.

SUPPLEMENTARY INFORMATION: Throughout this document, wherever "we," "us," or "our" is used, it means the EPA.

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I. Background

Section 110 of the Clean Air Act (CAA) governs the process by which a state submits air quality protection requirements to the EPA for approval into the State Implementation Plan (SIP). The SIP is the state's plan to implement, maintain, and enforce the National Ambient Air Quality Standards (NAAQS) set by the EPA. To ensure consistency with federal requirements, Alaska generally submits an annual rule update to the EPA for approval.

On October 25, 2018, the Alaska Department of Environmental Conservation (ADEC) submitted such an update. The submission includes revisions to Alaska Administrative Code, Title 18, Environmental Conservation, Chapter 50, Air Quality Control (18 AAC 50), state effective September 15, 2018. Specifically, the submission updates the dates by which certain EPA regulations are adopted by reference, brings the major stationary source pre-construction permitting program up-to-date with current fine particulate matter (PM_{2.5}) requirements, and fixes typographical and grammatical errors. We note that the submission also addresses infrastructure and interstate transport requirements. We intend to take action on those elements in separate rulemakings.

II. Evaluation of Submission

A. Adoption Updates

1. Air Pollutant Emissions Factors

Alaska updated the adoption by reference of federal *Air Pollutant Emissions Factors* (AP-42), as of February 1, 2018. This update captures a recent change to emissions factors for industrial flares in Section 13.5 of AP-42, 5th Edition. Emissions estimates, informed by AP-42, are used to determine the applicability of permitting programs and to develop control strategies.

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¹ 18 AAC 50.035(a)(3).

This submitted revision keeps reference materials in the Alaska SIP current.

2. Air Quality Models

Alaska updated the adoption by reference of the federal Guidelines on Air Quality Models, codified at 40 CFR part 51, appendix W (Appendix W), as of July 1, 2017. Appendix W models are used in preconstruction permitting, attainment planning, and other air pollution control efforts. Alaska's submission incorporates the most recent version of Appendix W, promulgated on January 17, 2017 (82 FR 5182). Among other things, the 2017 update to Appendix W addressed the use of screening models, including AERSCREEN. Therefore, Alaska repealed separate, redundant references to AERSCREEN and the AERSCREEN User's Guide in state regulations.³ Alaska also updated a cross-reference to alternative model recommendations and clarified that the ADEC Commissioner may delegate their part in the alternative model approval process to a designee.⁴ Alaska's regulations allows for the use of alternative models to those described in Appendix W when properly approved by the EPA and ADEC. These changes are consistent with the EPA's implementing regulations in 40 CFR part 51, subpart I for air quality modeling.

3. New Source Review Provisions

Alaska's major new source review (major NSR) program implements pre-construction permitting for new and modified major stationary sources. The major NSR program is established in Article 3 of 18 AAC 50, and references supporting rules throughout the Alaska SIP. To make it easier to keep the program up-to-date, Alaska's major NSR program incorporates by reference certain federal NSR regulations as of a specific date, and the state

 ² 18 AAC 50.040(f).
 ³ 18 AAC 50.215(e) and 18 AAC 50.035(a)(7).
 ⁴ 18 AAC 50.215(c).

routinely updates this citation date.⁵ In the October 25, 2018 submission, Alaska updated the adoption by reference of portions of federal regulations that apply in areas designated attainment and unclassifiable (Prevention of Significant Deterioration (PSD)) and in areas designated nonattainment (NNSR). More specifically, Alaska adopted by reference portions of PSD regulations in 40 CFR 51.166 and 40 CFR 52.21 and portions of NNSR regulations in 40 CFR 51.165 as of July 1, 2017.⁶ We note the state also updated the definition of "fugitive emissions" to equate to the federal definition in 40 CFR 51.166(b)(20), adopted by reference as of July 1, 2017.⁷ The definition of "Volatile Organic Compound" or "VOC" was similarly updated to reference the federal definition in 40 CFR 51.100(s), revised as of July 1, 2017.⁸ Please see Section B in this document for more discussion of the regulatory effect of these NSR adoption updates.

B. Permitting Revisions

1. Electronic Notice and Submission

Alaska's major NSR program, established in Article 3 of 18 AAC 50, includes PSD and NNSR. Alaska's PSD program is governed by 18 AAC 50.306 and refers to 18 AAC 50.040(h), which adopts certain provisions of 40 CFR 51.166 and 40 CFR 52.21 by reference. The NNSR program is governed by 18 AAC 50.311 and refers to 18 AAC 50.040(i), which adopts certain provisions of 40 CFR 51.165 by reference. In the October 25, 2018 submission, Alaska updated this adoption by reference as of July 1, 2017. The update captures the EPA's removal of the

⁵ 18 AAC 50.040(h) and (i).

⁶ 18 AAC 50.040(h) and (i).

⁷ 18 AAC 50.990(40).

⁸ 18 AAC 50.990(121).

⁹ See also 40 CFR 52.96.

¹⁰ 18 AA 50.040(h) and (i).

requirement to publish notice of draft major NSR permits in the local newspaper and provides the option to publish notice on a publicly-accessible website, along with the draft permit (October 18, 2016, 81 FR 71613). As a result, Alaska's major NSR program no longer requires newspaper notice.

Alaska also requested approval of a provision allowing ADEC to require owners and operators of certain minor stationary sources to apply for their permits online, through Alaska's Online System / Permittee Portal. 11 This electronic system was approved by the EPA on August 13, 2015 as meeting the Cross-Media Electronic Reporting Rule (CROMERR) (80 FR 48531). The approval applies to SIP-approved stationary source permitting programs, among other programs. Therefore, we propose to approve the minor source electronic permit application provision into the Alaska SIP.

2. Fine Particulate Matter

Alaska has a SIP-approved major NNSR program applicable in designated PM_{2.5} nonattainment areas. On January 7, 2015, the EPA approved revisions to that program as meeting Moderate area attainment planning requirements for the only designated PM_{2.5} nonattainment area in the state, the Fairbanks North Star Borough (FNSB) area (January 7, 2015, 80 FR 832). 12 Subsequently, on August 24, 2016, the EPA promulgated changes to NNSR requirements for PM_{2.5} nonattainment areas (81 FR 58010). ¹³ The EPA's changes were made in response to a D.C. Circuit court decision remanding specific EPA PM_{2.5} rulemakings promulgated in 2007 and 2008. 14 After the FNSB PM_{2.5} nonattainment area was reclassified

¹¹ 18 AAC 50.542(b),

¹² See also 40 CFR 81.302. ¹³ 18 AAC 50.040(h) and (i).

¹⁴ NRDC v. EPA, 706 F.3d 428 (D.C. Cir. 2013).

from Moderate to Serious by the EPA, Alaska was required to update the SIP-approved PM_{2.5} NNSR program applicable in the FNSB area, in accordance with the August 24, 2016 regulatory changes (May 9, 2017, 82 FR 21711). Alaska made updates in response and submitted the changes for approval as part of the October 25, 2018 submission.

Alaska adopted key requirements that the EPA revised in accordance with the D.C. Circuit court's decision, including the definitions for "major source," "regulated NSR pollutant," and "significant," as these definitions apply in PM_{2.5} nonattainment areas. ¹⁵ In areas classified as Serious, "major source" is now defined in Alaska regulations as a stationary source that emits or has the potential to emit 70 tons per year of direct PM_{2.5} emissions, or 70 tons per year of any one of four regulated precursors: nitrogen oxides (NO_X), sulfur dioxide (SO₂), VOC, and ammonia. ¹⁶ For areas classified as Moderate, the major source threshold for direct PM_{2.5} emissions and regulated precursors remains at 100 tons per year. Alaska also defined the term "regulated NSR pollutant" in designated PM_{2.5} nonattainment areas as direct PM_{2.5} emissions and NO_x, SO₂, VOC, and ammonia as precursors to PM_{2.5}. ¹⁷ The effect of this change is that the Alaska NNSR program, which previously regulated NOx and SO₂ as precursors to PM_{2.5}, now regulates all four precursors to PM_{2.5} established by the EPA on August 24, 2016 (81 FR 58010). ¹⁸

Alaska also revised the definition of "significant." This term is used to evaluate the extent to which construction at an existing major stationary source becomes subject to NNSR as a major modification with respect to the nonattainment pollutant. A major modification, defined in 40 CFR 51.165(a)(1)(v)(A), is any physical change in or change in the method of operation of a

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¹⁵ 40 CFR 51.165(a)(1).

¹⁶ 40 CFR 51.165(a)(1)(iv). See also CAA section 189(b)(3).

¹⁷ 40 CFR 51.165(a)(1)(xxxvii).

¹⁸ Ibid.

major stationary source that would result in: (1) a significant emissions increase of a regulated NSR pollutant, and (2) a significant net emissions increase of that pollutant. "Significant" is separately defined in 40 CFR 51.165(a)(1)(x)(A) to mean a rate of emissions specified for each pollutant or precursor to that pollutant. Alaska defined "significant" in PM_{2.5} nonattainment areas in the state to be 10 tons per year of direct PM_{2.5} emissions and 40 tons per year of any one of the four regulated precursors to PM_{2.5}: NO_X, SO₂, VOC, and ammonia. The rates established by Alaska for NOx, SO₂, and VOC are those set by the EPA and adopted by reference.¹⁹ We note however, the EPA's August 24, 2016 rulemaking did not establish a significant emissions rate for ammonia as a precursor to PM_{2.5} (81 FR 58010). Rather, if a state's plan for a specific nonattainment area requires regulation of ammonia as a precursors to PM_{2.5}, the EPA directed the state to define "significant" for ammonia for that nonattainment area. 20 The EPA declined to set a minimum significant emissions rate for ammonia on a nationwide basis in part because, as stated in the preamble to the August 24, 2016, rulemaking, "[w]e anticipate that very few states will actually need to control source modifications of ammonia under their NNSR programs for PM_{2.5} since (1) stationary sources of ammonia generally are not one of the primary causes of ambient PM_{2.5} concentrations in most PM_{2.5} nonattainment areas, and (2) according to information in the EPA's National Emissions Inventory database, most existing PM_{2.5} nonattainment areas do not have an existing major stationary source of ammonia to which the ammonia significant emission rate would be applied to determine whether a proposed modification of such major source would be 'major' for ammonia."21

¹⁹ 40 CFR 51.165(a)(1)(x). ²⁰ 40 CFR 51.165(a)(1)(x)(F).

²¹ August 24, 2016, 81 FR 58010, at page 58114.

Alaska's only designated PM_{2.5} nonattainment area is the FNSB area. ²² Alaska has undertaken planning efforts to reduce PM_{2.5} levels in the area, resulting in the FNSB PM_{2.5} Moderate plan, approved by the EPA on September 8, 2017 (82 FR 42457). In that plan, Alaska evaluated total PM_{2.5} and speciated PM_{2.5} monitoring data to help identify the appropriate emissions control strategy for the area. We summarized Alaska's evaluation in the preamble to our proposed action on the FNSB PM_{2.5} Moderate plan stating, "Alaska concludes that throughout the winter months, residential wood heating is the major source of PM_{2.5} and accounts for 60 to 80 percent of the observed PM_{2.5}."²³ Emissions inventories developed by Alaska and approved by the EPA as part of the FNSB PM_{2.5} Moderate plan demonstrate there are no existing major stationary sources of ammonia in the area and that the estimated total annual ammonia emissions for existing major stationary sources of direct PM_{2.5} emissions or other precursors for PM_{2.5} is less than 0.001 tons per day on days in which exceedances of the PM_{2.5} NAAOS typically occur.²⁴ Based on the analysis in the FNSB PM_{2.5} Moderate Plan, it is unlikely that there will be any major modifications to major stationary sources of ammonia in the area. However, the EPA has reclassified the FNSB PM_{2.5} nonattainment area to Serious, triggering the requirement for additional planning, including revisions to NNSR requirements applicable in the area. In those revisions, Alaska included regulation of ammonia under NNSR in PM_{2.5} nonattainment areas.²⁵

In the October 25, 2018 revisions, Alaska set significant emissions rates for all four regulated precursors to PM_{2.5}, including ammonia, and submitted the changes to the EPA for

See 40 CFR 81.302 for legal description.
 February 2, 2017, 82 FR 9035, at page 9036.

²⁴ February 2, 2017, 82 FR 9035, at pages 9037 through 9040 (2008 base-year emissions inventory; 2015 projected emissions inventory).

²⁵ May 10, 2017, 82 FR 21711. See also 40 CFR part 81.

approval. Specifically, Alaska adopted by reference the 40 tons per year significant emissions rates for NOx, SO₂, and VOC set by the EPA, and also established a significant emissions rate of 40 tons per year for ammonia as a precursor for PM_{2.5}, consistent with the thresholds of the other PM_{2.5} precursors.²⁶ The EPA addressed the evaluation of potential thresholds in the preamble to the August 24, 2016, rulemaking stating, "[I]n the event that a nonattainment area is classified Serious for PM_{2.5}, the maximum acceptable ammonia [significant emissions rate] would be a rate no greater that 70 [tons per year] in accordance with the major source thresholds being finalized in this rule for major stationary sources of direct PM_{2.5} emissions and PM_{2.5} precursors locating in Serious PM_{2.5} nonattainment areas."²⁷ Forty tons per year is well below the 70 tons per year new major source threshold for ammonia in PM_{2.5} serious nonattainment area established by the EPA and is consistent with the levels the EPA set for other PM_{2.5} precursors.²⁸

Based on the SIP-approved emissions inventories demonstrating no existing major sources of ammonia and extremely low total estimated ammonia emissions from existing stationary sources in the FNSB PM_{2.5} nonattainment area, speciated monitoring data identifying residential wood combustion as the primary source category driving PM_{2.5} exceedances in the area, and the EPA's stated maximum acceptable ammonia significant emissions rate of 70 tons per year for Serious PM_{2.5} nonattainment areas, the EPA proposes to find that 40 tons per year is a reasonable threshold for requiring review of major modifications to major stationary sources of ammonia in the FNSB PM_{2.5} nonattainment area, should any be constructed.²⁹

²⁶ 18 AAC 50.311(e).

August 24, 2016, 81 FR 58010 at page 58114.
 40 CFR 51.165(a)(1)(iv). See also CAA section 189(b)(3).

²⁹ Again, the likelihood of there being a major modification of a major stationary source of ammonia is extremely low. The most likely potential construction scenario would be the addition of controls to an existing combustion source that, as a by-product of controlling NO_X, generates 70 tons per year of ammonia slip (which would be a very large source of NO_x), and then a subsequent modification of that facility that results in a significant

We propose to approve the submitted revisions to the Alaska PM_{2.5} NNSR program into the SIP. Upon final action, the added NNSR requirements established in the EPA's 2016 PM_{2.5} implementation rule that were triggered upon reclassification of the FNSB PM_{2.5} nonattainment area to Serious will be met.³⁰

3. Pre-Approved Emissions Limits

The submission clarified requirements for pre-approved stationary source emissions limits. Specifically, the state revised rule language to make clear that if a source terminates a pre-approved limit that had allowed the source to avoid preconstruction review, the limit remains in effect until a minor permit, as well as a construction permit, is issued for the source.³¹

C. Corrections

Alaska submitted several corrections to typographical, grammatical, and cross-reference errors. First, Alaska corrected the geographic name of *Mt. McKinley* to *Denali*. ³² Second, Alaska updated a provision to fix an obsolete cross reference and to use the term "coal-fired" (vs. "coal burning"). ³³ Third, Alaska made changes throughout 18 AAC 50 to consistently use and spell the term "emissions unit." ³⁴

III. Proposed Action

The EPA proposes to approve, and incorporate by reference, the revisions to the Alaska SIP submitted on October 25, 2018 and described above. Upon final approval, the Alaska SIP

emissions increase of an additional 40 tons of ammonia.

³⁰ May 10, 2017, 82 FR 21711. See also 40 CFR part 81.

³¹ 18 AAC 50.230(e)(1)(A).

³² 18 AAC 50.025(a)(2).

³³ 18 AAC 50.055(b)(6) and (a)(9).

³⁴ The October 25, 2018, submission requested approval of spelling changes in 18 AAC 50.220(b)(2), (c)(3), (d)(1); 18 AAC 50.225(b)(2), (i); 18 AAC 50.230(b), (c)(1)(E); 18 AAC 50.260(g), (j), (l); 18 AAC 50.345(h), (m); 18 AAC 50.502(c)(2)(B), (f)(1)(B), (f)(2), (f)(3), (f)(4), (h)(4); 18 AAC 50.540(c)(1)(a); 18 AAC 50.542(f)(6); 18 AAC 50.560(a); 18 AAC 50.990(8)(A), (65)(A), (78).

will contain the following rule sections, state effective September 15, 2018:

- 18 AAC 50.025 Visibility and Other Special Protection Areas;
- 18 AAC 50.035 Documents, Procedures, and Methods Adopted by Reference, except (a)(6), (a)(9), and (b)(4);
- 18 AAC 50.040 Federal Standards Adopted by Reference, except (a), (b), (c), (d), (e), (g), (j), (k);
- 18 AAC 50.055 Industrial Processes and Fuel-Burning Equipment, except (d)(2)(B);
- 18 AAC 50.215 Ambient Air Quality Analysis Methods, except (a)(4);
- 18 AAC 50.220 Enforceable Test Methods, except (c)(1)(A), (B), (C), and (c)(2);
- 18 AAC 50.225 Owner-Requested Limits;
- 18 AAC 50.230 Preapproved Emission Limits, except (d);
- 18 AAC 50.260 Guidelines for Best Available Retrofit Technology under the Regional Haze Rule;
- 18 AAC 50.311 Nonattainment Area Major Stationary Source Permits;
- 18 AAC 50.345 Construction, Minor and Operating Permits: Standard Permit Conditions, except (b), (c)(3), and (l).
- 18 AAC 50.502 Minor Permits for Air Quality Protection;
- 18 AAC 50.540 Minor Permit: Application;
- 18 AAC 50.542 Minor Permit: Review and Issuance;
- 18 AAC 50.560 General Minor Permits; and
- 18 AAC 50.990 *Definitions*.

The listed exceptions were not submitted in the October 25, 2018 submission and are not

part of the current federally-approved Alaska SIP.³⁵ For more information, please see our prior actions on September 19, 2014 (79 FR 56268) and August 14, 2007 (72 FR 45378).

The EPA also proposes to approve the submission as fulfilling NNSR requirements for the FNSB $PM_{2.5}$ nonattainment area set forth in the EPA's 2016 $PM_{2.5}$ implementation rule and triggered upon reclassification of the area to Serious.

IV. Incorporation by Reference

In this rule, the EPA proposes to include in a final rule, regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA proposes to incorporate by reference the provisions described in Section III. The EPA has made, and will continue to make, these documents generally available electronically through www.Regulations.gov and in hard copy at the appropriate EPA Region 10 Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

V. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, provided they meet the criteria of the CAA. Accordingly, this proposed action merely approves state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

• Is not a "significant regulatory action" subject to review by the Office of Management

³⁵ The excepted provisions implement New Source Performance Standards (NSPS), National Emissions Standards for Hazardous Air Pollutants (NESHAPs), and title V of the CAA and are not relied on by the state to attain or maintain the NAAQS under CAA section 110 and the SIP; or are inconsistent with CAA requirements.

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- and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- Does not impose an information collection burden under the provisions of the Paperwork
 Reduction Act (44 U.S.C. 3501 et seq.);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because it does not involve technical standards; and
- Does not provide the EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area

where the EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of

Indian country, the rule does not have tribal implications as specified by Executive Order 13175

(65 FR 67249, November 9, 2000), nor will it impose substantial direct costs on tribal

governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference,

Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and

record keeping requirements, Sulfur oxides, Volatile organic compounds.

Authority: 42 U.S.C. 7401 et seq.

Dated: May 29, 2019.

Chris Hladick,

Regional Administrator,

Region 10.

[FR Doc. 2019-12178 Filed: 6/10/2019 8:45 am; Publication Date: 6/11/2019]

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